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November 13, 2001

Ms. Gloria Blue  
Executive Secretary  
Trade Policy Staff Committee  
Office of the USTR  
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Washington, DC 20508

**VIA ELECTRONIC MAIL**

[ft0001@ustr.gov](mailto:ft0001@ustr.gov)

PUBLIC VERSION

Re: Request for Exclusion of Products from Any Increased Duty, Tariff-Rate Quota, or Quantitative Restriction with Regard to Imports of Certain Steel

Dear Ms. Blue:

This submission is filed on behalf of Dana Corporation pursuant to the Federal Register notice entitled Trade Policy Staff Committee; Public Comments on the Potential action Under Section 203 of the Trade Act of 1974 With Regard to Imports of Certain Steel, 66 Fed. Reg. 54321 (October 26, 2001) seeking to have certain hot rolled coils of steel, discussed in greater detail below, excluded from any increased duty, tariff-rate quota, or quantitative restriction.

Pursuant to 15 CFR 2003.6, Dana requests that certain information contained in this submission be treated as business confidential and not disclosed to the public. The specified information constitutes trade secrets, and commercial and financial information the disclosure of which is not authorized by Dana.

Dana Corporation is a purchaser of the material at issue in this request. The information requested in the above-referenced Federal Register notice is as follows:

- (a) **The designation of the product under a recognized standard or certification (e.g. ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States.**

Dana seeks to have certain hot rolled coils of steel under the designation SAE C-1006 DQSK excluded from any increased duty, tariff-rate quota, or quantitative restriction. The specific merchandise Dana seeks to have excluded consists of SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches, plus or minus tolerances of +0.250/-0.000. Please note that whenever discussed hereafter, this width is assumed to include these tolerances.

It is Dana's understanding that when the merchandise enters the United States it is classified under HTS number 7208.27.00. However, because Dana is merely a purchaser, and not the importer, Dana cannot state the HTS number under which the product is entered with assurance.

- (b) A description of the product based on physical characteristics (e.g. chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought.**

The fundamental physical characteristic that distinguishes the materials Dana seeks to have excluded from other products relate to the width of the material in question. Specifically, Dana seeks to exclude only SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches.

- (c) The basis for requesting an exclusion.**

Dana seeks an exclusion for this specific width product for two related reasons. First, Dana has tried and failed to locate a United States producer of steel who does or will manufacture this width of the product. United States mills are available which manufacture hot rolled sheet and strip in narrower widths, but Dana has been unable—despite repeated attempts—to find a United States mill which can or will produce this material.

The second reason Dana seeks to exclude SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches is that Dana has invested significant sums of money in engineering and tooling designed specifically to work with this wide-width merchandise. These custom-made dies specified by the customer, [\* \* \* \* \*]<sup>1</sup>, can only be used with hot rolled coils with a width of 76.500 inches. As such, Dana does not have the option to substitute a different width of hot rolled coils for the 76.500 inch wide coils it currently uses. Furthermore, because Dana is the sole supplier of the finished product for which these coils are used, any disruption of Dana's access to this material would have a catastrophic ripple effect, closing major automotive production lines until Dana was able to secure supplies of the SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches necessary for its production.

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<sup>1</sup> This information is the name of one of Dana's customers (commercial information).

Because Dana is not able to source this material in the United States, and because Dana's customer requires that the final product be made from a product of this width Dana seeks to have this merchandise excluded from any increased duty, tariff-rate quota, or quantitative restriction.

**(d) The names and locations of any producers, in the United States and foreign countries, of the product.**

To the best of Dana's knowledge, experience, and belief, there is currently no United States producer who can, or who is willing to produce SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches.

The Corus Group of the Netherlands is the producer of the merchandise Dana uses. It is Dana's belief that Usinor, S.A. in France can also produce this merchandise. Otherwise, it is not clear to Dana whether other producers around the world also produce SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches.

**(e) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for these projections.**

Dana has no basis for stating the total United States consumption of SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches. It appears that no trade data sources offer a detailed enough breakdown to reflect the importation only of hot rolled coils 76.500 inches in width. Information contained on the International Trade Commission web page, for instance, appears to encompass a tremendous range of products beyond the specific merchandise for which Dana seeks exclusion.

Dana also has no basis for projecting total United States projected annual consumption for the 2001 to 2005 period. However, Dana projects its own purchases of this material in pounds for the 2001 to 2005 period as:

<u>2001</u>	<u>2002</u>	<u>2003</u>
[ * * *	* * *	* * * ] <sup>2</sup>

This estimate is based on Dana's history of supplying finished goods with this material, and information regarding expected usage received from Dana's customer. This program will end mid way through 2003, so that Dana currently expects the usage to be zero after that.

**(f) Total U.S. production of the product for each year from 1996 to 2000, if any.**

<sup>2</sup> This data is Dana's expected product usage going forward (commercial information).

Dana is unable to provide production figures for the period 1996 to 2000. Dana does know that its former supplier, [\* \* \* \*]<sup>3</sup>, in the United States ceased marketing hot rolled coils, including those 76.500 inches in width.

- (g) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.**

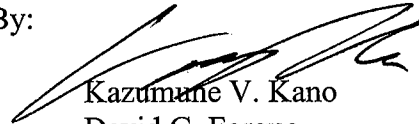
For Dana's purposes, there are no substitutes for SAE C-1006 DQSK hot rolled coils with a width of 76.500 inches. The finished product must be made with this material, and Dana has invested hundreds of thousands of dollars in tooling and engineering to be able to utilize this material. Please see Exhibit 1, which documents Dana's unsuccessful attempt to procure hot rolled coils of 76.500 inch width utilizing a different material specification. Insofar as Dana has been unsuccessful in its efforts to find a United States mill to supply this material within those specifications, Dana seeks to have this product excluded. Therefore, Dana lists no United States produced substitutes here. Similarly, Dana does not list United States production amounts or the names of substitute product producers.

As reflected in the information provided above, imports of this merchandise have not had, and will not have, any adverse impact on the United States steel industry. This is true because there is no United States member of the steel industry that a) produces, or b) expressed any willingness to produce this merchandise in the width needed by Dana. As such, imposition of increased duties, tariff-rate quotas, quantitative restrictions, or any other relief for the United States steel industry will have an adverse effect on Dana's operations without benefiting the United States steel industry. Instead, application of such duties, tariff-rate quotas, or quantitative restrictions will have the perverse effect of harming both the United States automotive parts industry and the United States automotive industry without helping the United States steel industry. Therefore, Dana respectfully requests that this merchandise be excluded from any relief the President may grant in connection with this matter.

Thank you for your attention to this matter. Please feel free to contact us if you have any questions regarding this matter.

Very truly yours,  
**BARNES, RICHARDSON & COLBURN**

By:



Kazumune V. Kano

David G. Forgue

William J. Murphy

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<sup>3</sup> This information is the name of Dana's former supplier (commercial information).

**EXHIBIT 1<sup>4</sup>**

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<sup>4</sup> The contents of this Exhibit are confidential in their entirety. The exhibit reflects business communications and negotiation between Dana and a supplier (commercial information).